

REMARKS

The Specification

At page 2 of the Office Action the Examiner has objected to the specification as allegedly including embedded hyperlinks and/or other form of browser executable code. In response to this same rejection Applicant has previously reviewed the specification and has removed all such objectionable material that has been located. If the Examiner is aware of another specific instance of some objectionable material it is requested that she please point out where that is located.

The Claim Objections and the Claim Rejections Under §112

The Examiner had objected to the language “of shape” in claims 1, 31 and 73. That language has been deleted as requested.

The Examiner had also rejected claims 3, 7 22-24, 33, 38, 40, 50-55 and 60-61 under 35 U.S.C. §112. All of those claims have been amended in the manner suggested by the Examiner and it is believed that those rejections are now resolved.

Additionally, the Examiner has questioned claims 3, 33 and 54 stating that “the Examiner is unable to determine by the pricing formula how the price is determined without knowing the constants. The Examiner believes the invention cannot operate as intended without undue experimentation.” That rejection is respectfully traversed. As pointed out in the specification at page 29 lines 8-19:

“It will be appreciated that the adjustable variables set forth in Equation 2 will be chosen by the operator of the automated quotation system **10** to correspond to the cost structure of a given specific business operations facility and

the profit level which the operator has chosen based upon competitive conditions. The preferred manner for determining the appropriate values of these adjustable variables for any specific business operations facility is to perform a statistical regression of multiple data points of pricing data for the specific business operations facility onto the pricing formula $a * V + b * H + c$. Thus, the specific values of the constants utilized for any one specific business operations facility at any one point in time are not necessarily relevant or applicable to another facility and/or another time in the competitive market.”

Statistical regression is a common technique well known to those skilled in the art and which is easily performed. Accordingly, it is respectfully submitted that no “undue experimentation” is required to use the invention.

The §101 Rejection

The examiner asserts that claims 71-73 are directed to non-statutory subject matter. According to the examiner, the claims are rejected because 1) the claims are not directed to a practical application that produces a tangible result, and 2) the claims preempt an abstract idea. Applicant respectfully disagrees.

According to the MPEP § 2107, “practical utility is a shorthand way of attributing “real-world” value to claimed subject matter. To have “real world” value, one skilled in the art must be able to use the claimed discovery in a manner which provides some immediate benefit to the public. Nelson v. Bowler, 626 F.2d 853, 856, 206 USPQ 881, 883 (CCPA 1980).” Thus, a claim is directed to an abstract idea if it is divorced from any result that is beneficial to the public. See In re Alappat, 33 F.3d 1526, 1544 (Fed. Cir. 1994) (stating, “the proper inquiry with the

so called mathematical subject matter exception to §101 alleged herein is to see whether the claimed subject matter as a whole is a disembodied mathematical concept...which in essence represents nothing more than a 'law of nature', 'natural phenomenon', or 'abstract idea'.") For example, a claim directed to converting one set of numbers into another set of numbers (a mathematical algorithm) without specifying an application for the conversion is not patentable subject matter. MPEP § 2106.02. In addition, a claimed process which consists solely of the steps one must follow to solve the mathematical representation of $E = mc^2$ is indistinguishable from the law of nature itself and would thus "preempt" the law of nature. MPEP § 2106.02. As a result, a claim is not patentable if it is simply directed toward a law of nature that does not specify steps or structure resulting in a benefit to the public. Another example would be a compound directed to a therapeutic use if there is no reasonable correlation between the activity in question and the asserted therapeutic benefit to the public. MPEP § 2107.03.

Applicant contends that the invention claimed in claims 71-73 is not directed to a process which simply involves a process of steps having a result divorced from any "real world" value. Instead, Applicant's process is directed toward a series of steps that results in a fixed price quotation for a custom manufactured part. There is nothing "abstract" about this result.

First, the examiner asserts that the invention does not produce a "real-world" tangible result because the invention identifies an abstract idea. Applicant respectfully disagrees. As stated in the Office Action by the examiner, in determining whether the claim is for a "practical application", the focus is not

whether the steps taken to achieve a particular result are useful, tangible, and concrete, but rather that the final result achieved by the claimed invention is “useful, tangible, and concrete.” The claims are directed to a process that produces a specific type of result with a clear benefit to the public. Applicant’s invention is directed toward a process that produces a fixed price quotation for a custom manufactured part. The process is thus not simply a series of steps disembodied from “real world” value.

In fact, the examiner’s rejection runs afoul of established Federal Circuit case law. Claims are not nonstatutory subject matter simply because the result is a number. Arrhythmia Research Technology, Inc. vs. Carozonix Corp., 958 F.2d 1053, 1060 (Fed. Cir. 1992). The Federal Circuit dealt with a system having a very similar financial result in States Street Bank & Trust Co. vs. Signature Financial Group Inc., and concluded that the subject matter was patentable. 149 F.3d 1368 (Fed. Cir. 1998). In State Street, the invention was related to an investment portfolio whereby mutual funds of different parties (“Spokes”) are pooled into an organized partnership (“Hub”). *Id.* at 1370. The claimed system calculated the percentage share that each Spoke maintained in the Hub. *Id.* According to the Federal Circuit:

We hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, because it produces ‘a useful, concrete, and tangible result’ – *a final price* momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.

(Emphasis Added) Id. at 1375.

This case is very similar to State Street. Our system claims a process that extracts information from a computer file, representing a manufactured product, and converts the information into a fixed price quotation for producing the custom manufactured part. This price is not an abstract idea divorced from any “real world” value. Rather, the price resulting from the calculation represents a tangible result with clear practical value. Furthermore, the fact that State Street was directed toward a system and the Applicant’s invention is directed to a process is of no consequence. See AT&T Corp. vs. Excel Communications Inc., 172 F.3d 1352, 1357-1358 (Fed. Cir. 1999) (stating, “we consider the scope of Section 101 to be the same regardless of form - machine or process – in which a particular claim is drafted.”). Thus, the claim is not directed to an abstract idea.

Finally, the claims would not preempt an abstract idea. The claims do not encompass every process or system which extracts information from a CAD file to produce a number. The claims are directed to process that extracts information from a CAD file to produce a specific and practical result, a fixed price quotation. Consequently, the claim produces a practical result and allows others to calculate different numbers with CAD files so long as they do not produce a “fixed price quotation for a custom manufactured part.” Applicant therefore respectfully requests that the examiner withdraw the claim rejections.

The Substantive Rejections

All of the substantive rejections of the claims have been based upon the same rejections previously stated by the Examiner with the addition of newly cited Thompson et al. U.S. Patent No. 6,810,401. All of the substantive rejections are based at least in part upon the Thompson patent.

As is shown in the attached SECOND DECLARATION UNDER RULE 131, the Thompson et al. reference is not properly citable as a reference against the present application, because the present invention was reduced to practice prior to the effective filing date of the Thompson et al. application. The Thompson et al. patent has an earliest possible effective filing date of October 8, 1999 which is the filing date of two provisional applications numbers 60/158,250 and 60/158,316 both relied upon by Thompson et al.

The attached SECOND DECLARATION UNDER RULE 131 shows that the present invention was reduced to practice in the United States prior to October 8, 1999, and thus Thompson et al. is not an effective reference against the present application.

Since all of the Examiner's rejections rely in part upon Thompson et al., those rejections are all overcome by the elimination of Thompson et al. as a reference.

Accordingly, for all the reasons previously stated during the prior prosecution of this application, it is submitted that the present invention is clearly patentable over all of the other cited references and accordingly reconsideration of the application is requested along with an early indication of the allowance of all of claims 1-73.

Respectfully submitted,

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